



Board of Supervisors Memorandum

November 13, 2012

Pima County Economic Development Plan – 2012 to 2014

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I. BACKGROUND

On January 19, 2012, I transmitted a comprehensive economic development report regarding Pima County’s past and current economic development practices to the Board. I also outlined programs and opportunities designed to promote future job growth and retention in our region.

The Board of Supervisors directed that this report undergo public review; and on January 19, 2012, it was placed on Pima County’s website for review and comment by the general public. The report was also transmitted by letter to more than 40 agencies and individuals requesting their review and comment.

Comments were received between January 31 and August 16, and the 130 comments are shown in alphabetical order by source in Attachment 1. These comments influenced the final economic development report and provided valuable suggestions that are being considered and implemented. Each of these comments will be directly responded to by the County in the coming months, and we will invite constructive dialogue with the commenters.

In the January 19 report, 39 separate recommendations were made to the Board. Attachment 2 delineates these draft plan recommendations and provides a report on how each of these recommendations has been implemented or is in the process of being implemented. Many of the original recommendations of the Draft Economic Development Plan are being accomplished.

II. PLAN OBJECTIVES

This plan is an action agenda that avoids the long-term strategic planning platitudes and broad generalizations that sound good but do not achieve a great deal.

The steps presented in this document are ones we can take in the near term, over the next two years or so, that will provide the foundation for long-term economic growth and stability. This plan also addresses actions directly dependent on voter approval for future investments that will take time to implement. The plan will be continuously revised to maximize a steady and prolonged recovery in the economic conditions of the County. This includes increasing the number of jobs available; increasing the average wage and compensation, including benefits, particularly for new jobs that may be attracted to the region; and significantly increasing the positive economic outcomes of tourism.

This report also recommends fostering a collaborative environment in which the private sector, local governments, educational institutions and nonprofit agencies work together to stabilize and expand the local economy.

In the following sections, I will outline our short-term objectives in four categories:

- Protecting our existing employers,
- Creating new opportunities for job growth,
- Revitalizing tourism, and
- Creating a positive climate for business and improving business service.

III. ACTION PLAN FOR JOBS

A. Protecting Our Existing Employers

Among large employers with more than 1,000 employees, private businesses employ more of a higher percentage of people in Pima County than they do in two other regions recently visited to assess economic development opportunities. The statistics are impressive. In San Diego, the percentage of employees at these large companies is 20.1 percent; in Huntsville, Alabama, it is 24.1 percent; and in Pima County, it is 37.6 percent.

It is clear we must focus on our existing employers; protecting their economic vitality and providing maximum opportunities for their expansion. We have addressed this, in part, by focusing on creating a healthy business climate and making government more efficient.

Over the past decade, Pima County's overall property tax rate has declined by 12 percent; and since 2007, we have reduced the County workforce by more than 12 percent. We have shifted lines of service that were previously provided by the County to the private sector where they can be delivered more effectively. Pima County, on an ongoing basis, will continue to strive for governmental efficiency to reduce our property tax rates whenever possible.

But we must do more. We can protect and help our existing employers and create an overall environment that is attractive to companies desiring to relocate.

1. Helping Raytheon Protect Existing Jobs and Expand

Not long ago, we received a significant shock when Raytheon Missile Systems made a reasoned, business-based decision to expand operations and build a new facility in Huntsville, Alabama. This action was the result of a number of factors, one of which related to the inability of Raytheon to expand due to lack of space and facilities in their current operating environment. With federal budget reductions on the near horizon, defense spending will likely be reduced, and Raytheon's contracting volume could be adversely affected. We cannot ensure future growth, nor can we control the adverse impacts of these cuts. However, there are actions we can take to try to protect existing jobs and lure new ones. If there is future consolidation of Raytheon operations based elsewhere, we want to make sure our region is the most attractive location for those consolidated jobs.

Over the years, Raytheon has been threatened with urban encroachment. This threat from private development immediately south of Raytheon was removed by the County's acquisition of 382 acres of property in February 2012 at an approximate cost of \$5.9 million. Acquisition of this private property, however, is only a first step in protecting Raytheon's existing business base, as well facilitating the potential for Raytheon expansion in the future if such opportunities arise.

Pima County must help resolve the threat of certain development on property owned by the Tucson Airport Authority (TAA) immediately south of the Hughes Access Road. Certain development could adversely impact or shut down significant portions of current Raytheon operations if not properly planned, managed and controlled. We need to take the lead role in organizing master planning efforts, including the County, TAA, Air National Guard, Raytheon, City of Tucson, State of Arizona and other key businesses and stakeholders to manage compatible development on the properties surrounding the airport area. Moreover, such efforts are required to not only protect existing Raytheon operations, but also to make possible future expansion of the Tucson facility to either compete for new contracts or accommodate potential impacts of future airport growth. If such an

opportunity presents itself, we should take advantage of available incentives at the state level and provide local incentives to possibly influence what is ultimately a business-based decision.

While County acquisition of the private developer land was an important first step, another essential step is the interim relocation of Hughes Access Road. This relocation will support several key objectives:

- Facilitate and provide Raytheon with a number of operating options that include preserving existing programs and jobs that are threatened by the high volume of public traffic on the Access Road.
- Improve access to TAA- and Pima County-owned properties south of Hughes Access Road. This access makes these properties more attractive for potential development that is compatible to the area.
- Support the activities of the 162nd Fighter Wing, Arizona Air National Guard, which has, in the past, sought to develop facilities in the vicinity of the southeastern area of the Raytheon/Air Force Plant 44 facility. Those development plans were not feasible due to a lack of available property in that area, including the restrictions created by the high volume of traffic on Hughes Access Road.
- Align with longer term development plans for the future aerospace and defense corridor, thereby maximizing the investment of this interim solution. The interim location is incorporated into the longer term plan as part of the transportation parkway.

The Hughes Access Road relocation is shown on Figure 1 and is estimated to cost approximately \$8 million. Pima County and the region need to facilitate the immediate relocation of Hughes Access Road to protect existing employment that is currently threatened due to proximity and volume of traffic for existing critical operations.

In addition to the relocation of Hughes Access Road, property of the TAA should be authorized for purchase or exchange to protect the existing high-paying job base and enable possible future growth. TAA is developing a second runway option for airport safety and flexibility improvements. This strategy requires essential portions of Air Force-owned or Raytheon-leased property in order to accommodate the second runway. TAA airport land could be exchanged to buffer Raytheon operations to the south, while allowing the second runway to be developed, which is a positive outcome for both parties. This acquisition or exchange would consist of approximately 445 acres of land included in a possible expansion zone that would extend 2,500 feet south of the existing Hughes Access Road at a location for the future aerospace parkway. If not used for Raytheon expansion, it could be used by other companies in the future.

The County is leading efforts to create a master development plan for the aerospace/defense corridor that includes County-owned, TAA-owned and State-owned properties south of the existing Access Road. TAA acquired the properties in question from the State of Arizona at a public auction and paid \$3,490 per acre for 960 acres in June 2002 and \$8,194 per acre for 575 acres in March 1995. Given the importance of protecting the existing Raytheon job base as well as facilitating possible growth, the County could consider acquiring this property, if necessary, at the prices paid by TAA. However, it is likely most of this property would be acquired in an exchange with TAA for the second runway.

2. Protecting the Military Functionality of Davis-Monthan Air Force Base and the 162nd Air National Guard Fighter Wing

These military installations provide significant economic impact and employment benefits within our region. In Fiscal Year 2011, Davis-Monthan Air Force Base (DMAFB) alone provided an economic benefit to the community of \$1.6 billion, employing 3,994 civilians and creating 4,538 jobs in Pima County. The Arizona Air National Guard provides an annual economic benefit of \$280 million, supporting 1,702 jobs. It is essential their military functionality be preserved to allow each military installation to provide vital military defense functions for the country.

In the past, our community has been concerned over national base closure options, as they could affect DMAFB. To date, DMAFB remains untouched by military base closings. In addition, the pilot training mission of the Arizona Air National Guard has evolved over 40 years with varying military fighter aircraft, ranging from the F-86 in the 1950s and 1960s to the current pilot training mission for the F-16 fighter aircraft. It is likely this pilot training mission will evolve as operational requirements of fighter aircraft within the Air Force change.

While the community substantially supports both military installations, concern has been expressed over adverse noise impacts. In addition, the DMAFB Departure Corridor has been threatened with urban encroachment; which, if allowed, would diminish the military capability of the installation. The County, in the 2004 bond issue, allocated \$10 million to purchase lands in this Departure Corridor. A similar allocation of \$10 million should be made in any future economic development bond issue.

I would also propose \$20 million be committed to development of an aircraft noise abatement program for aircraft operations associated with these two military installations. This will allow a reasoned and orderly resolution of noise issues raised by area residents.

B. Building New Opportunities for Job Growth

Pima County is poised to capitalize on burgeoning economic segments that can drive innovation and build on our existing social capital.

1. *New Aerospace/Defense Research and Business Park*

Airports are now widely recognized as having considerable economic and social impacts on their surrounding regions. These impacts go far beyond the direct effect of an airport operation on its neighbors to the wider benefits of expanded employment and air service accessibility benefitting regional business interests and consumers.

Airports with available land are developing business parks to capitalize on the attractiveness of air service to businesses for passenger, freight and operational needs. Often these business parks are used by firms with some connection to the airport or aerospace industries. Otherwise, they are chosen as locations for companies making intensive use of air transport. Creation of an aerospace oriented business park associated with Tucson International Airport (TIA) must be a high priority in any economic development plan for the future.

Updating the Master Plan for TIA, combined with land already purchased by the County, provides an excellent opportunity to develop an aerospace/defense research and business park that can attract new employers from the aerospace, defense and transport industries; allow expansion of industries already located around or associated with TIA, such as Bombardier, Ascent Aviation, the 162nd Air National Guard Fighter Wing and Universal Avionics; as well as attract suppliers to the nearly 200 aerospace and defense-related companies in Pima County.

Raytheon, Bombardier and Ascent all have numerous out-of-state suppliers that might considering relocating to new facilities, if available. There are many other air and ground transport-related industries that could relocate or expand into new, modern facilities if they were available in proximity to TIA. The demand for increased freight infrastructure will also be driven by the rapidly growing industrial base and deep-water port being developed in northwestern Mexico. In a Freight Transportation Framework Study conducted by the Joint Planning Advisory Council consisting of the Pima Association of Governments, Maricopa Association of Governments, and the Central Arizona Governments (Pinal County), the characteristics of the TIA focus area (five-mile study area around TIA) was identified as most closely resembling those of an Import Distribution Center our of 16 focus areas studied in Arizona. Their report states,

“An Import Distribution Center focuses on accepting imports and redirecting to precise markets. The TIA focus area encompasses major air, rail and freeway facilities, is located immediately adjacent to a sizeable anchor population, is within two-days by rail or truck of major Texas and Mexican source markets, and is only 53 miles from the Nogales international border crossing making this location the most applicable in the Sun Corridor for being developed to better service this vital purpose in the global supply chain.”

Demand is significant for improved infrastructure in this area all the way to Mexico. The report further states,

“The Tucson International Airport focus area experienced approximately \$9.42 billion of freight activity in 2009, with Mexico as an important trading partner. By 2015 the level of activity is anticipated to grow by 41% for a total of \$13.25 billion (Source: HIS Global insight 2010).”

We cannot ignore these trends and must take steps to ensure the region benefits from this unique location and increased trade opportunities.

With the current TIA Master Plan nearing completion, with a target date of late 2012, it is conceptually possible, with continuing public highway infrastructure investment, to define an approximate 2,800-acre business park, a portion of which would have direct, expanded taxiway access to TIA facilities. Such an economic development engine is clearly apparent in the 3,843-acre Cummings Research Park located in Huntsville, Alabama that was initially started in the mid-1960s and continues to grow and serve the Huntsville community today. The same can be said for other regional communities’ growth, such as the rapid expansion in the Newport Beach, Irvine Ranch area triggered by John Wayne Airport and the Dallas/Fort Worth airport.

A very similar business and research park attached to a regional airport is the 2,500-acre Global Industrial Aerospace Park developed in Columbus, Mississippi. This industrial/retail development, in collaboration with programs of Mississippi State University and the University of Alabama at the Global Industrial Aerospace Park, has already brought over \$3.4 billion in investments with the creation of 4,000 new jobs.

The four landowners in our region’s potential research and business park are the TAA, 1,695 acres; the Arizona State Land Department, 685 acres; Pima County, 435 acres; and the City of Tucson, two acres. The conceptual plan for the proposed business park is shown on Figure 2.

Development of such a research and business park would be initiated with major voter-authorized transportation bond investments for developing the aerospace parkway from Nogales Highway to Rita Road and Interstate 10, a distance of approximately 10 miles, costing approximately \$80 million with the new Alvernon segment. This parkway is envisioned as a high-speed, high-capacity, limited access roadway with a right of way of approximately 300 feet. The anticipated first phase of construction of the parkway and extension of Alvernon Way (\$10 million) to accommodate the expansion area south of the Hughes Access Road is also shown on Figure 2.

Planning for such a business park is already underway and will require very close coordination with TAA, Raytheon, the Arizona Air National Guard, Ascent and other tenants to ensure it provides maximum benefit to all involved parties. To that end, the County has taken the lead on conceptual planning in cooperation with Tucson Regional Economic Opportunities, Inc. (TREO). This advance planning is necessary now to ensure possible inclusion of transportation infrastructure financing in a 2013 or 2014 bond issue. This planning process is being reviewed by an Executive Oversight Committee consisting of the following members:

- Ramón Valadez, Chairman, Pima County Board of Supervisors
- Jonathan Rothschild, Mayor, City of Tucson
- Thomas Zlaket, Board Chairman, Tucson Airport Authority
- Steve Eggen, Vice President and Chief Financial Officer, Raytheon
- Colonel Michael McGuire, Commander, 162nd Fighter Wing, Arizona Air National Guard
- Colonel Edward Maxwell, Vice Commander, 162nd Fighter Wing, Arizona Air National Guard
- Stephen McCoy, Interim General Manager, Bombardier Aviation Services, Inc.
- Tim McGuire, Director of Operations, Bombardier Aviation Services, Inc.
- John Keating, Vice President of Operations, Ascent Aviation Services Corporation
- Joseph Snell, President and CEO, Tucson Regional Economic Opportunities
- Ronald Shoopman, President and CEO, Southern Arizona Leadership Council

If we are to significantly grow new, high-paying, aerospace/defense and science-based research jobs, we need the capacity to locate these new employers. The proposed new business park will provide this capacity.

A regional land use plan that also facilitates future population expansion, provides residential locations in reasonable proximity to these employment centers, and minimizes future travel demand on transportation investments necessary for acceptable, regional

mobility is desirable. Existing or proposed residential areas in the vicinity of these regional employment centers are shown on Figure 3.

2. Emerging Employment Centers for Biosciences, Medical Services, Science and Technology – The Tucson Tech Corridor

Providing necessary supporting infrastructure to support regional employment centers requires time and investment. While the aerospace/defense research and business park is an appropriate response to increase high-wage jobs in the TIA area, it could be five years away from providing the first job, except for possible Raytheon expansion.

The Tucson Tech Corridor, however, is in a position to provide jobs much sooner if we foster the necessary investment and cooperation. The corridor, anchored by the UA Science and Technology Park and the Port of Tucson, connects a number of existing and emerging employment centers of significant importance in the southern metropolitan area. These centers include the UA Tech Park, The University of Arizona Bioscience Park at The Bridges, the medical services campus on Ajo Way, and the Logistics and Intermodal Center at Century Park.

Public investment and infrastructure needs associated with each of these facilities are different and should be tailored to the very specific needs of the employment center in the communities in which they are located. Infrastructure needs may vary from traditional public infrastructure, such as streets, highways and utilities, to nontraditional infrastructure investments, such as land acquisition and development of incubator building space. Based on an analysis of public infrastructure necessary to support rapid and continued job employment development at the UA Tech Park, it is estimated it will cost \$28.1 million to make this facility fully “development ready.”

The University of Arizona, Campus Research Corporation and others are prepared to fund \$10.6 million of this cost. Some of this investment has already been made, including construction of a new road to the Solar Zone and a well and water distribution system. A portion of the balance of these costs (\$17.5 million) could be funded by a proposed County bond initiative, making the County an active participant in development of the Tucson Tech Corridor and expanding job and employment opportunities in the UA Tech Park. To help facilitate this employment center, I would recommend that \$10 million in bond funding be approved to develop the public highway infrastructure necessary for constructing up to three miles of Science Park Drive from Kolb Road to Rita Road.

3. *Regional Job Growth Centers in Oro Valley, Marana, Sahuarita and South Tucson*

In addition to the TIA area and the Tucson Tech Corridor, there are opportunities to support jobs in other employment centers.

The Bioscience Center in Innovation Park in Oro Valley and the aerospace /defense-related employment within Marana along the Interstate 10 corridor are examples of the diverse geographic locations of vital regional employment centers. These locations also justify regional County attention to facilitate their job expansion possibilities; and, in the case of Marana, we cannot overlook the economic development potential of the Marana Regional Airport. Sahuarita is also embarking on an aggressive aerospace-oriented economic development program that could complement the aerospace/defense research and business park due to their close proximity.

The City of South Tucson is strategically located between the aerospace and defense corridor, The University of Arizona's Bridges Development and Downtown Tucson. Touted as a future biotech hub in the central metropolitan area, the Bridges offers additional high-tech employment opportunities in an existing high-stress area. The City of South Tucson and The University of Arizona are in early discussions about public improvements that will enhance both the South Tucson community and its connection with these employment centers.

The Board should invite Oro Valley, Marana, Sahuarita and South Tucson to submit detailed economic development plans, assessments and investment needs regarding how to make these regional job centers economically attractive for the relocation of jobs from outside Pima County. We would welcome their active and constructive participation in structuring an infrastructure investment plan that could be considered by the voters to make their employment centers more competitive and improve our regional opportunities for job attraction.

Based on early information, I would propose \$30 million be set aside for detailed public investment and infrastructure proposals to be developed in cooperation with the jurisdictions within which the employment centers are located. While the allocation in this report is general, for any project to be included in a County bond issue, it must be site-specific with a detailed scope of work and implementation timeframe to meet the County's accountability and transparency requirements of bond programs. Any expenditure plan to be included in a bond issue must be approved by the jurisdiction within which the proposed improvements are included, the Bond Advisory Committee, and ultimately, the Board of Supervisors.

4. *Renewable Energy – Solar*

Our geographic location gives us the ability to become a world leader in the development of renewable energy emphasizing solar power. While we have developed solar facilities offsetting 2.3 megawatts of County energy demand, we can and should do more. The County has recently amended our land use code to streamline approvals for solar energy projects. We will continue to make available, as well as reserve, land purchased by the County in the Davis-Monthan Departure Corridor for solar development. We have the natural location, public electric utility and research capabilities to make our region a global leader in renewable energy research and application.

5. *Leveraging the Intellectual Capacity of The University of Arizona*

Increasing employment opportunities within the region come from three primary sources: 1) protecting and expanding our existing employers, 2) enticing employers to relocate from other areas of the country to Pima County, and 3) growing our own employment opportunities.

Growing our own employment opportunities is a strategy I believe provides the best promise to diversify our economy and create high-tech, new economy jobs. The key to growing our own high-wage employment opportunities rests with employing and leveraging the intellectual capacity of The University of Arizona. Among the top 20 university research facilities in the nation, this institution generates more than \$600 million annually in research grants and partners with businesses to help ensure that innovative ideas become reality and produce business opportunities in the new world market.

In addition to continuing our work with The University of Arizona in areas such as physician training, medical diagnostics and biosciences, the University's intellectual capacity and science professionals can serve as key partners in expanding our aerospace industry, as well as growing new markets such as engineering, water resources, solar and alternative energy development and new concepts in urban form and development. The University of Arizona is a significant resource in our own backyard, but it has been largely underutilized in the economic development strategies for our region. This must change.

Today, my key management staff and I meet regularly with the President of the University and her management team to map out cooperative strategies by the County and the University that can lead to economic opportunities for the region. We will continue to do so, and we will continue to support entrepreneurial efforts through the Eller College of Management, College of Engineering, College of Medicine, College of Agriculture, College of Science and the new Tech Launch Arizona program. The areas in which the County is cooperating to facilitate intellectual capacity development with the University are too

numerous to discuss in this report except to reiterate that the resources of The University of Arizona and its composite intellectual capacity are important tools in our economic stability and expansion, as well as securing our future wellbeing.

Today and in the future, we will continue to assist The University of Arizona with investments in the areas of medicine, environment and water, urban form, development and transportation, as well as business research.

6. Collaborating with Private Economic Development Activity Support Organizations

TREO, the Metropolitan Tucson Convention and Visitors Bureau (MTCVB) and various chambers of commerce all have business development and expansion as primary objectives. As a regional government involved in infrastructure planning and development, workforce investment, regulatory compliance and regional infrastructure and utility provision, the County has the same objectives and must closely coordinate our activities with these organizations to improve the overall economic wellbeing of our community. The County will continue to provide significant funding, as well as staff support, for the common objectives of these organizations. Our financial contribution to the MTCVB is the largest of any jurisdiction, and I will recommend increasing our financial contribution to TREO. This may seem contrary to TREO's recent position regarding contributions from cities and towns; however, the County is a regional entity and contributes for all jurisdictions.

C. Revitalizing Tourism

Our cleanest industry, tourism, has suffered substantially in the Great Recession because of the national economic condition, but it has also suffered, in part, from self-inflicted political wounds. In fact, funding for our region's tourism promoter, the MTCVB, has declined from \$10.35 million in Fiscal Year 2007 to \$6.5 million in Fiscal Year 2012, a revenue decrease of 38.1 percent.

We must take steps now to aid the recovery of this industry sector.

The Tohono O'odham Nation and Pascua Yaqui Tribe have recently invested in significant destination and convention facilities: the Desert Diamond Casino & Hotel and the Casino Del Sol Resort, Spa and Convention Center. We must increase such investments in our region and promote them appropriately across the country and around the world.

1. *Increasing Funding for the Metropolitan Tucson Convention and Visitors Bureau*

The September 2012 issue of the *Daily Lodging Report* indicates PKF Hospitality and Research's September edition of *Hotel Horizons* states that 12 markets across the country are still renting fewer rooms than they did prior to the recession. It states specifically: "Lagging the most in accommodated demand are the cities of Tucson, West Palm Beach, and Atlanta." [emphasis added] This is notoriety that needs reversal. To date, we have had three major resort defaults or change in hands due to slow economic times.

There are a number of short- and long-term actions that could help revitalize tourism. The first important step is to think regionally, rather than parochially, about tourism, based on individual jurisdictions. Regionalization and greater participation by all jurisdictions is critical for the messaging of our region, and the MTCVB is the best vehicle to deliver that message.

To that end, the amount of revenue set aside from bed taxes contributed directly to the MTCVB for tourism promotion must increase. Fifty percent of total County bed tax revenue is, has been, and will continue to be allocated to the MTCVB. If each jurisdiction provides the same 50 percent, MTCVB revenues would increase by at least \$2.6 million, or 45 percent, over their present funding.

2. *Providing Incentives for Tourism by Discounting Facility Rental Fees*

We also need to increase incentives for locating venues that bring in tourists who rent hotel rooms and eat in restaurants for bookings that guarantee a minimum number of bed nights and restaurant meals. Fees or rental rates for publicly owned use facilities should be discounted. For County operated venues, such as the Kino Sports Complex, where a particular venue would guarantee at least \$25,000 in room rental or meals, the standard facility use fees will be discounted by 25 percent; if greater than \$50,000, the fees will be discounted by 50 percent. Wherever possible, we must create our own incentives to increase tourism.

3. *Diversifying Sports Attractions by Encouraging Soccer as an Emerging Attraction Sport*

The Kino Sports Complex, designed and constructed for Major League Baseball spring training in 1997, was the location of an inaugural Major League Soccer spring training event in the Desert Diamond Cup last year. This year, this function will be expanded from four teams in the tournament to another four teams in spring training, including the potential for several international soccer competitions. To successfully support soccer as an additional professional and amateur sports use in addition to baseball, the County will

convert five former baseball fields to permanent soccer fields, two of which will include illumination. Two of the five venues will accommodate varying seating capacity from as few as several hundred to as many as 2,000. This conversion will include additional concession facilities, restrooms, permanent seating, a press box, a coaches box, improved scoreboards, a ticket booth and improved audio systems. This work is already underway with the installation of new soccer field sub-base and turf, with the balance of the construction to be completed during 2013 at a cost of approximately \$2 million. The conceptual plan for conversion of these facilities is shown on Figure 4. The County will finance these sports facility modifications to ensure professional and amateur soccer venues are readily available at the Kino Sports Complex.

4. Making Cycling a Tourism Destination Event

Today, Tucson benefits from an internationally renowned cycling event, El Tour de Tucson. This event brings nearly 9,000 riders from throughout the world to Tucson with a projected impact of \$20 to \$30 million during the event weekend and \$50 to 70 million year round. Given our climate and position in the unique Sonoran Desert, Tucson is an ideal cycling destination; particularly as new, safe, multiuse facilities are constructed and opened for public use.

The Loop connection of the existing County river park system is nearing completion and will provide 55 continuous miles of biking, jogging, walking, hiking and riding facilities; all without car conflicts. Today, counting river parks, a total of 114 miles of car-free riding is available. These facilities are already receiving recognition. Together with the Central Arizona Project trail system and connections to The Loop, these safe and convenient bicycle facilities travel through natural and urban environments, allowing cyclists to experience various terrain difficulties.

These amenities constitute a significant economic tourism attraction that has yet to be fully realized. Since these river parks and trails connect destinations important in our tourism industry, such as the Arizona-Sonora Desert Museum, Catalina State Park, San Xavier Mission, downtown, and the Sabino Canyon recreation area, to name just a few, it is important that appropriate marketing strategies for The Loop and river park system be closely coordinated with MTCVB.

To date, the County has borne almost all of the expense of developing The Loop and other car conflict-free cycling environments. We will continue do so. The Loop should be completed by 2013 with the Central Arizona Project Trail completed at nearly the same time.

Developing a safe cycling environment showcases our most important regional assets; weather, sunshine and the beauty of the Sonoran Desert. These factors should be an economic development homerun for creating a marketing strategy to promote the region as a destination cycling attraction.

5. Creating New and Expanding Existing Tourism Venues through Public Investment

The County owns and leases a number of highly visited tourism destinations, such as the Arizona-Sonora Desert Museum, the Pima Air & Space Museum, Pima County Fairgrounds and others. In addition, the County cooperates and partners with other entities, such as the Tucson Children's Museum, Tucson Museum of Art and Tumamoc Hill. While we have significant recreation opportunities for tourists within our community, these venues and others can be expanded and improved to increase tourism length of stay. Many of these enhancements can be viewed as more long-term strategies and will require public bond investments and partnerships with the nonprofit operators of the facilities through their foundations or boards. It is also important to note that in almost all cases, public bond funds will be matched by private fundraising efforts of the benefitting nonprofit organization.

For the next bond issue, if directed at economic development, I would recommend a number of investments in these attractions to expand and enhance tourism opportunities.

a. Arizona-Sonora Desert Museum and Water

The Arizona-Sonora Desert Museum is one of our region's most desired tourism destinations. It is internationally known and on the must-see list for any visitor. The museum not only properly demonstrates, curates and displays plants and animals of the Sonoran Desert, it has a significant opportunity to expand its museum functions by introducing and demonstrating the importance of water in the Sonoran Desert and the relationship water has to this particular desert as opposed to other deserts in the world. I would recommend a future bond allocation of \$4 million to be matched by fundraising by the museum for the purpose previously described.

b. Pima Air & Space Museum Cold War Exhibit

The Pima Air & Space Museum is rapidly becoming the world's largest indoor display of military aircraft. The museum's recent acquisition of a B-36 Bomber and its collection of other bombers from the Cold War era have prompted the Arizona Aerospace Foundation's Board of Trustees to propose developing a Cold War Hangar exhibit of a size equal to their largest exhibit space. They have requested County bond funds of \$4 million and have

agreed to match or exceed such a public funding contribution with private fundraising to develop an exhibit of military aircraft of the Cold War era.

c. Pima Air & Space Museum Space Exploration

The Arizona Aerospace Foundation operates the Titan Missile Museum and has other space-related attractions, but they are relatively small compared to the role The University of Arizona Planetary Sciences Department has played in space exploration; from the Mars Observer, Phoenix Mars Lander and Mercury Messenger to the present anticipated mission of OSIRIS-REx to land and sample an Earth-orbiting asteroid and return samples and scientific data to Earth. Today, there is little recognition of the vital role The University of Arizona has played in space exploration. Such needs to be properly acknowledged, as well as exhibited with a number of world class meteorite collections. I would recommend that \$8 million in bonding be allocated to the Pima Air & Space Museum for expanded emphasis on space exploration and exhibit space for demonstration of The University of Arizona's unique role in space exploration, as well as for exhibition of perhaps the world's largest collection of meteorites.

d. Tumamoc Hill Regional Visitors Center

Tumamoc Hill is a significant archeological, cultural and scientific treasure of the southwest. It is owned by The University of Arizona with other land ownership of the County and City of Tucson in immediate proximity. It is the site of the longest, continuously monitored scientific Sonoran Desert botanical sites and contains archeology of irreplaceable importance. Tumamoc Hill is also a sacred ancestral site of the Tohono O'odham and other Native Americans.

Our community has struggled with how, when and where to locate a regional visitors center; whether it be proposals from the federal government through the National Park Service, Forest Service or others. Local stakeholders can work cooperatively to develop a regional visitors center at the base of A Mountain that could be connected by the modern streetcar to the existing Arizona State Museum on The University of Arizona campus and by shuttle. The unique cultural center could serve to showcase the historic, cultural and scientific importance of Tumamoc Hill.

I would recommend \$10 million in future bonds for developing a regional visitor center that displays in one location all of the attractions that could be explored by visitors with convenient methods of scheduling, reserving, understanding and identifying the availability of and access to these resources.

e. Tucson Children’s Museum

The Tucson Children’s Museum (TCM) welcomed more than 120,000 visitors in 2010 and celebrated 25 years of service to our community in 2011. The museum’s Board of Directors, the City of Tucson and the community are working to establish a new home for the museum in the same area to enhance the educational and cultural experience for all children in our region. The new museum would include galleries with interactive exhibits, collection storage areas, a public outdoor play area with child-friendly sculpture, an indoor/outdoor restaurant, performance hall, an early childhood center for at-risk children, outdoor interactive galleries, space for public programs, a neighborhood technology center/family resource library, and nearby public parking.

TCM has requested \$6 million in bond funding, with the remaining funding being provided by private and other sources. I support their request.

f. Tucson Museum of Art

The Tucson Museum of Art proposes a renovation of the north wing of the Old Pima County Courthouse for an Art of the American West collection exhibition. The proposed project is based on a “cultural plaza” concept that offers a dynamic and interactive experience dedicated to one of Arizona’s leading southwestern art collections.

Bond funding in the amount of \$10.5 million has been requested for this project’s renovation and construction. I would recommend \$5 million in bond funding for this project. With rapid progress being made to build the new joint courts facility for the lower courts of the City of Tucson and the County, it is now possible to make available a portion of the Old Courthouse for this purpose. The balance of the Old Courthouse space will be used to house County management functions.

6. *Improving Our Relationship with Mexico*

Mexico is Arizona’s top trading partner, purchasing 33.5 percent of all Arizona exports in 2011, an increase of 31 percent over the period 2009 to 2011. For every dollar Mexico makes in exporting to the United States, it, in turn, spends 50 cents on U.S. products and services. Pima County has the largest contiguous exposure of border to Mexico of any county in the United States, which includes 24 counties in Texas, New Mexico, Arizona and California. The importance of Mexico to our economy cannot be understated nor dismissed.

Mexico has the world’s third fastest growing economy. The development of a new deep-water port at the Port of Guaymas, increased industrial park development in the Sonoran

region attracting a number of aerospace and other manufacturing companies, and new economic development emphasis by the Mexican government in northwest Mexico provide increased opportunities for Arizona and Pima County. Santa Cruz and Pima Counties, as well as the rest of Arizona, stand to benefit substantially not only as the transportation corridor to move increasing numbers of goods, but also to export products and services to this rapidly growing sector. We will work with local, state and federal jurisdictions to improve cross-border communications, reduce costly wait times, and improve transportation facilities to encourage a complementary business relationship between our region and our counterparts to the south.

Mexico is key to not only the regional, but national, economy. We need to move beyond divisive rhetoric and take action that strengthens our ties. A good place to start is by encouraging the MTCVB to redouble their efforts in their satellite operations in Hermosillo and Ciudad Obregon and to encourage Mexican visitors to take advantage of Pima County attractions such as recent and ongoing Mexican baseball tournaments and fiestas. It is important that we in Pima County welcome Mexican tourists and demonstrate our desire to have them enjoy our hospitality. We need to redouble our efforts to assure Mexico we are open to and welcome their business; their residents are safe in Arizona; and Arizona offers a substantial and enriching opportunity for Mexican tourists in addition to the trade and economic opportunities that cross-border partnerships can produce.

D. Creating a Positive Climate for Business and Improving Business Service

Creating a positive climate for business to succeed and prosper should be a responsibility of local governments, and this includes the County. The County enforces the zoning code in the unincorporated area, administers numerous land use ordinances, provides development and building code permitting functions, operates the regional wastewater treatment system, operates a regional library system and conducts regional workforce investment training and related activities. We have numerous opportunities to be supportive of business development and expansion and need to be cognizant of our potential impact on the region's business environment.

While the County is constitutionally prohibited from supporting development from a fiscal perspective, we can reduce the regulatory burden and timeframes for approval, as well as approval fees charged. We can also spread out the cost of these fees through financing. We intend to take all of these steps.

Below are specific new areas where the County has and will continue to provide a positive climate for business to grow, expand and prosper without compromising our basic public safety, health and welfare obligations.

1. Accelerating Permitting Timeframes

We will begin by committing to approval timeframes for building permits for single-family homes of five working days or less and will do the same for commercial developments whenever possible. Development plan and building plan review times have been and will be shortened. The five working day turnaround commitment is our pledge to provide the private sector building community with certainty in their plan review and permit approval process. We also challenge all other jurisdictions to do the same. If every jurisdiction meets the same standard, we all benefit, and the recession crippled building industry has a better chance of recovery.

2. Modernizing the Permitting System

Our Development Services Department first implemented an automated land and permit management system in 1986. This system remains in use today.

Improving automation in our permitting and regulatory system will greatly improve regulatory efficiency and accelerate approvals, as well as allow the regulated public to have interactive access to the system and clearly understand where their particular project or permit is in the review process.

Replacing this system will enable all of our Public Works departments and agencies to leverage a common data system. Consolidation into one platform will replace up to 35 legacy databases and enable efficiency through elimination of duplicative data entry, which causes errors; facilitate cross-departmental collaboration; and provide a single platform that meets increasing data needs and complexity and, at the same time, provides transparency across departments and agencies, all of which will be completely available to development businesses constituencies.

Through a citizen access module, constituents will have access to approvals, forms, information in support of their request, along with visibility of the status of review. They will be able to complete research, easily view important project permit information and participate in online plan review. This is a significant upgrade and modernization of our development review and land permitting system, and it significantly expands our process management capability.

The total cost for this project is \$5,598,000, the cost is already budgeted in the FY 2012/13 budget, and it will also be paid for through budget appropriations for FY 2013/14. At a time when fee revenues are down, this investment represents a significant County investment in our economic recovery. The upgrade will be a significant

improvement over existing systems and will allow for a comprehensive multi-agency review to significantly improve permit and project review times.

3. Reducing Utility Fees

We have reduced our sewer connection fees for new development by approximately 35 percent. It is important for all other public utilities – water, electric and natural gas – to do the same. Pima County’s reduction of sewer connection fees by 35 percent is significant; however, it does not change the playing field significantly when we compete with other regions. If every water utility and all other public service utilities do the same, we could have a significant effect. Our connection fee reductions will remain in effect, and we ask all water, electric and gas utilities to reduce their similar connection fees whenever possible to encourage development.

4. Creating a Business Resource and Veterans’ OneStop Center

Our original OneStop Career Center will continue to function at a high level, providing expanding training and job opportunities for hundreds of youth and adults, with a special emphasis on helping under-employed individuals obtain training and programs that focus on potential for higher wage job opportunities. Our program has helped create training for solar installation, green automotive technology, behavioral health careers and assisted in the creation of a formal academic logistics degree program. Last year alone, the OneStop worked with 869 employers to identify priority training needs and trained approximately 2,750 under-employed or unemployed workers to meet those job demands.

Similar to the OneStop Career Center, a model is being developed for the creation of a Business Resources OneStop Center to serve business development needs ranging from the single entrepreneur to small, medium and large businesses. This center will provide a myriad of administrative and management support functions that businesses need, including access to capital, tax assistance, regulatory compliance, permitting and marketing. Planning for such a center is underway and expected to be complete during 2013.

The County successfully created another “OneStop” model, when it opened the Kino Veterans’ Workforce Center in July 2012 to help employers hire veterans and to help returning veterans find employment. The first of its kind in the nation, this center is aimed at helping military veterans find jobs, receive training, and obtain benefits and support services to facilitate their transition from military service to a successful career.

5. *Building Bridges between Libraries and Workforce Development*

In the coming years, our regional library system will be one of our more important assets in workforce investment and business development.

A recent economic study in Philadelphia, Pennsylvania demonstrated how libraries can be vital to business development, offering business leads, access to market research data and business-related databases. In 2010, for example, the Philadelphia Free Library's economic impact was estimated at \$3.8 million.

Our library system is developing a Community Impact Plan for 2013 to 2016. This plan will include concepts for economic expansion and prosperity, working with our Workforce Investment Board to collaboratively offer small business development and include basic skill development and employee learning. Our primary goal will be to seek and create a well-trained and motivated workforce to meet the job demands of the 21st century.

The Pima County Public Library District has a longstanding and active presence in support of our business community. In the coming year, the library will introduce strategies to strengthen how we help create and nurture a viable small business sector in our community, as well as help prepare jobseekers for our changing economy.

Because of our expert and helpful staff; the availability of free specialized services, programs, and resources; along with 27 locations and a vibrant "24-7" online presence;" the library is uniquely positioned to be a trusted resource, an approachable partner, and a key ingredient in Pima County's workforce development and business development initiatives.

The Pima County Public Library District is exploring some ways to address how we can bolster our economic impact and meet the needs of our community. These include:

- Increasing Awareness Through Communications and Marketing Materials
- Expanding Our Partnerships and Networking Opportunities
- Providing Programs and Workshops for Businesses
- Enhancing the Skills and Readiness of Jobseekers

Increasing awareness through communications and marketing materials. The programs and services the library offers will not be successful if our intended audiences are not aware of what is available. It is crucial to develop effective tools and materials to reach out to small business owners, as well as the agencies that work directly with and advocate for, small businesses.

The library will use its web presence, electronic communications, traditional public relations, and social media to publicize library and Pima County services, information, and programs that support small business development. To link business assistance organizations and entrepreneurs, the library will develop an online forum that will include information about workshops and business-related activities and updates, as well as provide an online opportunity to share information.

Recognizing the importance of having professional-quality marketing materials to distribute throughout the community, the library has begun to review the existing printed materials that promote the available business-related workshops and services. The flyers and brochures will have a fresh look and clear message that will appeal to our targeted audiences: entrepreneurs and business assistance organizations.

Expanding our partnerships and networking opportunities. Strong relationships and ongoing support are key to most successful initiatives. By partnering with government and nonprofit business assistance organizations, chambers of commerce and industry associations, the library can expand its reach and connection to business startups and entrepreneurs. The library also has the ability to provide networking opportunities and workshops for specific business sectors. In leveraging these partnerships and networking activities, the library can increase awareness and maximize the access local businesses have to the expertise, services and resources in Pima County that are available, yet may not be well known.

The business assistance partnerships the library develops will also help us gather input and identify the changing needs of the small business community on an ongoing basis.

Providing programs for business startup success. The library provides a significant direct benefit to people who are considering or have already ventured into starting their own small business. By hosting programs with industry experts to help businesses effectively use free or low-cost resources such as online business databases, the library can help reduce startup expenditures. Business librarians will present a rotating series of monthly programs that focus on topics such as business planning, web search strategies for locating business and market data, list creation for targeting key contacts and potential customers, and using social media to expand market opportunities. Laptop lab sessions will also be offered that will include one-on-one research assistance with a business librarian.

The library is also reaching out to returning military veterans by partnering with staff from the Kino Veterans' Workforce Center and other business assistance organizations. This collaboration will provide workshops to assist returning veterans who are seeking support to start their own small businesses.

Enhancing the skills and readiness of jobseekers. In addition to hosting a number of programs that focus on helping people re-tool their skills for the changing workplace, the library has a successful Job Help program that helps people build new skills to become employable. The library is currently implementing a system-wide marketing campaign for Job Help that includes advertising on bus benches and bus shelters, promotional posters inside Sun Tran buses, and distributing printed materials throughout our library locations.

The Pima County Public Library District offers essential services that support new and emerging businesses, and the people who own and work for those businesses. We are committed to developing opportunities to make more business ventures successful.

6. Recognizing the Importance of Urban Form to Economic Development

For at least the last two years, Imagine Greater Tucson (IGT) has been working through a visioning process to consider our region's future urban form. Within the United States, land use planning is relegated to the various cities, towns and county jurisdictions. Rarely do states, or even the federal government, venture into land use planning. Communities take decades to grow, develop and change; so it is all the more important to get it right the first time. Vision for future urban growth and development is a key component in maximizing potential benefits of economic development, including job creation and wealth expansion.

IGT is a bottom-up planning effort that has achieved a consistent level of community consensus. The vision brought forward by the community points the community in a better urban direction; more compact, more energy efficient, more sensitive to the natural environment, freedom of choice regarding housing types, mobility and movement, mixed land uses integrated with stable neighborhoods, and the promotion of regional, town and neighborhood centers. These are all positive attributes of future urban expansion.

Vital to the vision for our community is the preservation of our unique regional identity and our community's diverse arts, cultural, ethnic, geographic and historical characteristics. IGT concepts envision arts, culture and entertainment destinations within all three (regional, town and neighborhood) centers. Land use and streetscape policies and financing opportunities are tools that can be utilized to develop and market arts and culture destination points.

This regional vision is where we collectively need to head, and it needs to be supported by every local government and incorporated into each plan and implemented to every extent possible.

The County is embarking on an update of its Comprehensive Plan and will transform the concepts of IGT into the County's update of the Comprehensive Plan for the unincorporated area of Pima County. This effort, along with the adopted Sonoran Desert Conservation Plan, gives our region a significant advantage over other southwestern urban areas by promoting livable communities integrated with the natural environment of the Sonoran Desert.

III. FUTURE CHALLENGES

Although this action plan focuses on specific, actionable steps that can be taken in the near term, there are other issues that require the attention and cooperation of all local jurisdictions over the longer term.

A. Developing New Investment Strategies for Transportation Systems

A vibrant economy and real growth in economic activity are the result of a variety of factors related to available capital, innovation, financial systems and supporting infrastructure.

One of the essential components of infrastructure support systems is now threatened by disinvestment. In a September 17, 2012 New York Times article, an in-depth analysis of transportation funding indicated traditional methods of financing transportation infrastructure that have been in place for 60 years or longer are no longer capable of producing the revenues to support these systems, let alone expand or adequately maintain them.

New transportation financing strategies must be developed for surface transportation, including highways; air transportation; transit systems; freight and rapid passenger rail systems. While reinventing our transportation financing system is beyond the scope of this economic development report, it is very important to recognize that many of our transportation problems; whether due to a lack of funding for adequate road maintenance, inability to expand or develop new highway systems, or to provide rapid rail passenger transport; are all tied to a dysfunctional financing support system for this infrastructure component that is essential for economic growth and vitality.

A solution to this problem must be the goal of every level of governmental jurisdiction and will require an unparalleled level of cooperation between governments in the future.

B. Changing Attitudes about Investing in Public Infrastructure

Successful communities share a common thread: They are willing to make significant financial investments in their public infrastructure, while responsibly managing debt. With the right management, longer term investments are a responsible and manageable way to afford large capital projects that are too costly to allow for pay-as-you-go principles.

Pima County's debt is far below its allowable state constitutional limit, as it should be. While some communities pay their debt back over a number of decades, we pay ours back quickly, within 15 years, to save on interest costs. We also set voluntary limits on our secondary debt to make sure property owners have a stable and predictable tax rate.

Heated rhetoric makes for good political sound-bites, but it does not make for good governance. Good governance acknowledges that public infrastructure projects often take some time to plan and build and that these projects are the backbone of economic development.

Because Pima County voters made the investment in their community, we now have better roads, stronger neighborhoods and improved recreational opportunities. Smart investments allow our community to compete with other regions in attracting new employers and skilled workers.

I am confident the audit of County bond programs now being conducted by the Arizona Auditor General at the request of the State Legislature will conclude Pima County is a model for transparency and accountability in managing public debt.

C. Recognizing our Utility Resources are Regional Assets

When Pima County took over the public library system in 2006, there were immediate benefits to the region. Having one controlling entity provides uniformity and enhances the free-flow of resources, while reducing duplication and administrative costs.

Our essential utility systems, likewise, should remain regional systems. Electricity is provided by Tucson Electric Power Company, and natural gas is provided by Southwest Gas Corporation. Pima County provides regional wastewater reclamation services, providing our region with a ready supply of safe reclaimed water.

Larger systems can spread the cost of such improvements over a larger base, ensuring the financial investment is manageable for ratepayers and taxpayers. It also allows for greater economies of scale, helping to control operational costs; and, with an eye to protecting a larger area, regional entities allow for better planning.

In the same way, this area is also better served with one regional water provider. To date, that provider largely has been Tucson Water, with the exception of a few already-established large water providers in the region. Tucson Water's service policy must support rational regional planning through one dominant provider, instead of through multiple, small water utilities that are significantly undercapitalized and less likely to be able to afford the latest technological advances or have a strong focus on conservation and efficiency.

We live in a desert, and water resources are too important for our future to end up with fragmented planning and delivery.

D. Eliminating Jurisdictional Competition

We cannot afford parochialism and a go-it-alone mentality when it comes to economic development. Good public policy must recognize our economic interdependence. What happens in the Town of Marana, for example, affects the City of Tucson, and so on down the list of jurisdictional neighbors. We must work regionally to attract new business and employers.

Workers spend their paychecks across many jurisdictional boundaries, not just in the immediate vicinity of their employer. Their commutes will have impacts on the local roads, and they will use recreational facilities throughout the region.

New business itself will likely make purchases and otherwise support other companies in the region. Just as we live in, and are affected by, a global economy, improvement of our region's overall economic wellbeing positively impacts all of the residents of Pima County, regardless of their jurisdiction.

Ensuring our development regulations, tax incentives, and infrastructure improvements provide a cohesive, attractive package is a far better use of our time than getting into bidding wars over incentive packages and spending time squabbling over slivers of the economic pie. The American Planning Association notes that despite spillover benefits, it is difficult to escape the reality that property taxes are tied to physical addresses. It might be useful in the future to consider a regional tax base sharing model that would mitigate the potential for intraregional competition.

Growing jobs is a patient enterprise. It requires a long-term, collective view and takes a steady investment in building both human and financial capital assets. Strong companies recognize the resulting business climate is far superior to one based on hyper-local, narrow interests.

V. RECOMMENDATIONS

1. Accept the Economic Development Action Plan. Accept and adopt this Final Report on Economic Development in Pima County and use the report to guide future budget allocations and decisions regarding economic development opportunities in Pima County.
2. Ratify Draft Economic Development Plan Actions. Ratify all of the actions taken by the Board of Supervisors and implemented to date regarding the 39 recommendations in the January 19, 2012 Draft Economic Development Report for Pima County, given that significant progress and actions have been taken by the County since issuance of the Draft Economic Development Report.
3. Prepare Responses. Direct staff to prepare specific responses to all comments received from interested parties regarding the Draft Economic Development Report.
4. Relocate Hughes Access Road. Initiate planning for the relocation of Hughes Access Road, as shown on Figure 1. Anticipated construction costs of \$8 million are to be shared equally by the City of Tucson and Pima County. This relocation will provide maximum protection for Raytheon Missile Systems and allow for possible Raytheon expansion, as well as facilitate long-term development of the Tucson Airport Authority's plans for job expansion and economic development. Much of the realignment of Hughes Access Road investment can be salvaged when implementing the Aerospace Parkway.
5. Support Davis-Monthan Air Force Base and the 162nd Fighter Wing of the Arizona Air National Guard. Take those actions necessary to support the military functionality of Davis-Monthan Air Force Base and the 162nd Fighter Wing of the Arizona Air National Guard by supporting their growth and expansion, as well as new military missions that may be assigned, including continued voter-authorized bond investments of \$10 million to protect the Davis-Monthan Departure Corridor.
6. Help Abate Aircraft Noise. Implement a new aircraft noise abatement program for Davis-Monthan Air Force Base and Tucson International Airport with an investment of \$20 million in voter-approved bond funding.
7. Plan the Aerospace/Defense Research and Business Park. Allocate \$100,000 from the Board Contingency Fund to advance planning for an approximately 2,800-acre Aerospace/Defense Research and Business Park in partnership with the Tucson Airport Authority, Pima County and the City of Tucson.

8. Support the UA Tech Park. Support the Tucson Tech Corridor and the UA Science and Technology Park by allocating as much as \$10 million for public infrastructure to help make the UA Science and Technology Park “shovel ready” for new technology employers.
9. Fund the Aerospace Parkway and Alvernon Way Improvements. Allocate up to \$90 million in general obligation bonds to be approved by the voters for completion of the aerospace parkway linking the job centers at Tucson International Airport with the Tucson Tech Corridor and the UA Science and Technology Park.
10. Support Economic Development in Jurisdictions. Support regional job growth centers in Oro Valley, Marana, Sahuarita and South Tucson by inviting the submission of detailed economic proposals from these communities for infrastructure investments to make these regional centers attractive and competitive locations for job attraction. I recommend allocating up to \$30 million of any future bond program for economic development public infrastructure for these communities.
11. Support Solar Renewable Energy Projects. Reserve and make available lands purchased by Pima County in the Davis-Monthan Departure Corridor for renewable energy solar facilities. A total of 460 acres have been acquired, which could provide as much as 50 megawatts of renewable solar energy.
12. Increase County Investments in Economic Development Agencies. Increase from \$350,000 to \$450,000 Pima County’s annual contribution to Tucson Regional Economic Opportunities, Inc. to promote job attraction to our region, with an optional additional \$50,000 allocation for job infrastructure investment; provided other local governments make similar contributions for infrastructure investments within their community to facilitate job attraction.
13. Discount Kino Sports Complex Use Fees. Discount facility use or rental fees for the Kino Sports Complex by 25 percent if an event or activity guarantees at least \$25,000 in hotel room rentals or meals and discount the use fee by 50 percent if the guaranteed amount is \$50,000 or greater.
14. Facilitate Amateur and Professional Soccer. Allocate \$2 million from the Chicago White Sox settlement fund to make permanent soccer stadium improvements at the Kino Sports Complex.
15. Finish and Enhance The Loop. Place priority capital funding on completing The Loop and enhancing the river park system to facilitate destination tourism.

16. Expand Tourism Venues. Recommend bond fund public investments in tourism venues as follows:

Venue	Amount
Arizona-Sonora Desert Museum Water Exhibit	\$4,000,000
Pima Air and Space Museum Cold War Exhibit	4,000,000
Pima Air and Space Museum Space Exploration Exhibit	8,000,000
Tumamoc Hill Regional Visitors Center	10,000,000
Tucson Children’s Museum	6,000,000
Tucson Museum of Art	5,000,000
Total	\$37,000,000

17. Support Regional Land Use Planning. Endorse the process and goals of Imagine Greater Tucson and support the regional vision.

18. Refer Proposed Bond Projects to the Pima County Bond Advisory Committee for Review. The recommendations discussed above include approximately \$197 million for the following proposed bond funded program areas:

Program Area	Funding Recommendation
Highway Improvements to Support the Aerospace Parkway	\$ 90,000,000
Noise Abatement Program for Davis-Monthan Air Force Base and Tucson International Airport and Buffering for Davis-Monthan	30,000,000
Tourist Attraction Improvements	37,000,000
Support for Emerging Opportunities in Surrounding Communities	30,000,000
Access Improvements for UA Science and Technology Park	10,000,000
Total	\$197,000,000

These recommendations differ somewhat from previous proposals to the Bond Advisory Committee. The present proposals represent a more refined analysis of a future economic development bond issue and should be reviewed by the Bond Advisory Committee for their recommendations to the Board of Supervisors for a possible future bond issue for voter consideration.

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Pima County Economic Development Plan – 2012 to 2014**
November 13, 2012
Page 31

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C.H. Huckelberry". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

C.H. Huckelberry
County Administrator

CHH/mjk – October 17, 2012

Attachments

ATTACHMENT 1

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
2	08/16/12	HEALTHCARE	Explore partnerships with community health centers in rural areas as training sites for UA College of Medicine interns, physicians and others.	Ajo Economic Development Task Force
3	08/16/12	HEALTHCARE	Explore partnerships with rural agencies and The University of Arizona to provide telemedicine psychiatry to local families whose children would benefit from such services.	Ajo Economic Development Task Force
4	08/16/12	HEALTHCARE	Explore collaborative opportunities to provide behavioral health services to rural residents in Western Pima County	Ajo Economic Development Task Force
5	08/16/12	HEALTHCARE	Explorer partnerships with rural agencies and The University of Arizona on a diabetic program for rural communities, including the provision of podiatry services.	Ajo Economic Development Task Force
6	08/16/12	GOVERNMENT/ REGULATION	Adopt Recommendations 18 through 21 to facilitate rural economic development.	Ajo Economic Development Task Force
7	08/16/12	TOURISM	Supports recommendation regarding commitment of bed tax receipts to tourism revitalization.	Ajo Economic Development Task Force
8	08/16/12	TOURISM	Supports increased commitment to geotourism, specifically Organ Pipe National Monument and the Cabeza Prieta Wildlife Refuge, as well as National Historic Register townsites.	Ajo Economic Development Task Force
9	08/16/12	BUSINESS/ EMPLOYMENT	Increase staff and technical resources for long distance learning.	Ajo Economic Development Task Force
10	08/16/12	BUSINESS/ EMPLOYMENT	Bundle GED and job training services in a small rural OneStop Center	Ajo Economic Development Task Force
11	08/16/12	BUSINESS/ EMPLOYMENT	Provide a video conferencing/distance learning center for paraprofessional and post high school job training.	Ajo Economic Development Task Force
12	08/16/12	BUSINESS/ EMPLOYMENT	Explore partnership opportunities to identify funding streams for a revolving loan fund for business development in rural areas.	Ajo Economic Development Task Force
13	08/16/12	BUSINESS/ EMPLOYMENT	Utilize unbuildable land for solar facility development.	Ajo Economic Development Task Force
14	03/14/12	TOURISM	Increase visitation revenue through new exhibits, including construction of the Cold War Exhibition Hangar	Arizona Aerospace Foundation, Pima Air and Space Museum
15	03/14/12	TOURISM	Commit 50 percent of hotel bed tax proceeds to revitalization of regional tourism	Arizona Aerospace Foundation, Pima Air and Space Museum
16	03/14/12	TOURISM	Implement the 24 major recommendations resulting from the MTCVB audit	Arizona Aerospace Foundation, Pima Air and Space Museum

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
17	03/14/12	TOURISM	Continue MTCVB and others development of geotourism	Arizona Aerospace Foundation, Pima Air and Space Museum
18	03/08/12	TOURISM	Implement strategies to increase visitation revenue from 3 to 6 percent annually	Arizona-Sonora Desert Museum
19	03/08/12	TOURISM	Partner with other west side attractions in marketing efforts to leverage available marketing funds	Arizona-Sonora Desert Museum
20	03/08/12	TOURISM	Renew existing exhibits and construct new exhibits	Arizona-Sonora Desert Museum
21	03/08/12	TOURISM	Utilize technology and social media, including creation of a Wifi campus at the museum, to market the museum	Arizona-Sonora Desert Museum
22	03/16/12	BUSINESS/ EMPLOYMENT	Continue strong funding for TREO and MTCVB	Greater Oro Valley Chamber, formerly Northern Pima Chamber
23	03/16/12	BUSINESS/ EMPLOYMENT	Encourage Tucson International Airport expansion; buffer Raytheon and improve its transportation access; create an aerospace and defense research park.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
24	03/16/12	BUSINESS/ EMPLOYMENT	Work toward an intermodal logistics center. Work with Union Pacific on their plan for a container export rail facility.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
25	03/16/12	BUSINESS/ EMPLOYMENT	Continue property tax incentives for job creating businesses.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
26	03/16/12	BUSINESS/ EMPLOYMENT	Create property tax incentives for redevelopment.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
27	03/16/12	BUSINESS/ EMPLOYMENT	Encourage soccer activities, both professional and amateur, at Kino Stadium.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
28	03/16/12	BUSINESS/ EMPLOYMENT	Help keep the Accenture Match Play Tournament in the Tucson area.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
29	03/16/12	BUSINESS/ EMPLOYMENT	Work with Oro Valley government toward Oro Valley annexation of the Arroyo Grande parcel.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
30	03/16/12	GOVERNMENT/ REGULATION	Minimize development, building and planning fees	Greater Oro Valley Chamber, formerly Northern Pima Chamber
31	03/16/12	GOVERNMENT/ REGULATION	Ensure affordable water and wastewater connection fees.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
32	03/16/12	INFRASTRUCTURE	Accelerate road infrastructure improvements (Tangerine Road Corridor) and repair our community's roadways.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
33	03/16/12	TOURISM	Place greater emphasis on geotourism.	Greater Oro Valley Chamber, formerly Northern Pima Chamber

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
34	03/16/12	TOURISM	Clean up our community -- medians, roadsides and entryways to downtown and the airport.	Greater Oro Valley Chamber, formerly Northern Pima Chamber
35	07/09/12	ARTS AND CULTURE	Expand partnerships between arts/culture organizations and healthcare facilities to provide therapeutic artistic opportunities for medical and behavioral health clients.	Jan Leshner
36	04/02/12	INFRASTRUCTURE	Clean and maintain major corridors and other public areas	Marana, Town of
37	04/02/12	INFRASTRUCTURE	Develop cost effective and adaptable public infrastructure	Marana, Town of
38	04/02/12	INFRASTRUCTURE	Implement systems, processes and policies that promote a business supportive culture.	Marana, Town of
39	04/02/12	INFRASTRUCTURE	Leverage all jurisdictional resources to diversify our regional economy	Marana, Town of
40	04/02/12	INFRASTRUCTURE	Create a regional economic development study group to review policies, incentives and funding streams for action by the entire region	Marana, Town of
41	03/07/12	TOURISM	Develop one standard performance based contract arrangement for MTCVB that can be the same for the various jurisdictions.	Metropolitan Tucson Convention & Visitors Bureau
42	03/17/12	TOURISM	Refurbish the Tucson Convention Center and build more first-class hotel rooms in downtown Tucson.	Metropolitan Tucson Convention & Visitors Bureau
43	03/17/12	TOURISM	Support increased funding for tourism marketing.	Metropolitan Tucson Convention & Visitors Bureau
44	07/09/12	TOURISM	Increase visitor attendance at attractions by offering shuttles to resorts and other attractions	Metropolitan Tucson Convention & Visitors Bureau
45	07/09/12	TOURISM	Proceed with proposed \$44 million expansion of attractions	Metropolitan Tucson Convention & Visitors Bureau
46	07/09/12	TOURISM	Enhance Old Tucson by constructing a western museum and potentially a theme park with rides and other attractions. Consider construction of a gondola to a nearby peak. Widen Gates Pass Road.	Metropolitan Tucson Convention & Visitors Bureau
47	07/09/12	TOURISM	Enhance youth and amateur sports with a competition quality venue. Determine the best use of Kino Stadium -- baseball or soccer -- and move forward.	Metropolitan Tucson Convention & Visitors Bureau
48	07/09/12	TOURISM	Partner with TAA and others to secure non-stop flights to and from targeted destinations	Metropolitan Tucson Convention & Visitors Bureau

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
49	07/09/12	TOURISM	Construct a viable convention center and downtown hotels with substantial meeting space to bring conventions and meetings to Tucson.	Metropolitan Tucson Convention & Visitors Bureau
50	07/09/12	INFRASTRUCTURE	Invest in additional infrastructure in the vicinity of the UA Tech Park.	Metropolitan Tucson Convention & Visitors Bureau
51	07/09/12	TOURISM	Work to bring a second PGA Tour event or senior tour event to the region.	Metropolitan Tucson Convention & Visitors Bureau
52	07/09/12	TOURISM	Create a fund for seed funding for up to three years to bring new events to Pima County	Metropolitan Tucson Convention & Visitors Bureau
53	07/09/12	TOURISM	Create a fund for seeding funding existing events	Metropolitan Tucson Convention & Visitors Bureau
54	03/17/12	TOURISM	Engage with the Themed Entertainment Association	Old Tucson Foundation
55	03/17/12	TOURISM	Pima County attractions and sports venues should be part of the possible "2013 voter referendum authored by the State Legislature."	Old Tucson Foundation
56	03/13/12	ALL	Conduct area wide discussions regarding global competitiveness and the role of the region in the Sun Corridor	Pima Association of Governments
57	03/13/12	BUSINESS/ EMPLOYMENT	Nurture more diversity in our economic base	Pima Association of Governments
58	03/13/12	BUSINESS/ EMPLOYMENT	Expand public/private partnerships to ensure a competent workforce	Pima Association of Governments
59	03/13/12	BUSINESS/ EMPLOYMENT	Identify economic development opportunities relative to our proximity to the Mexican border	Pima Association of Governments
60	03/13/12	BUSINESS/ EMPLOYMENT	Develop meaningful incentives that encourage businesses to locate near transit hubs	Pima Association of Governments
61	03/13/12	BUSINESS/ EMPLOYMENT	Continue efforts to provide assistance to businesses impacted by transportation projects	Pima Association of Governments
62	03/13/12	GOVERNMENT/ REGULATION	Consider carefully the waiving of development fees to avoid extended permitting processes due to staff shortages	Pima Association of Governments
63	03/13/12	INFRASTRUCTURE	Fronting transportation impact fees would be helpful for logistics related industries dependent on an efficient transportation network	Pima Association of Governments
64	03/13/12	INFRASTRUCTURE	Identify additional funding sources for pedestrian and bicycle trails	Pima Association of Governments
65	03/13/12	INFRASTRUCTURE	Identify a dedicated funding source for transportation; the existing funding mechanism is flawed (HURF, VLT)	Pima Association of Governments

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
66	03/13/12	INFRASTRUCTURE	Promote affordable housing near urban services, including transit services.	Pima Association of Governments
67	03/13/12	INFRASTRUCTURE	Encourage development of private sector freight facilities	Pima Association of Governments
68	03/13/12	INFRASTRUCTURE	Incorporate regional multimodal freight centers into a comprehensive use model in cooperation with TREO	Pima Association of Governments
69	03/13/12	INFRASTRUCTURE	Maintain the transportation network and protect the existing regional investment	Pima Association of Governments
70	03/15/12	BUSINESS/ EMPLOYMENT	Locate OneStop employment training centers in rural areas	Pima County Small Business Commission (John Peck; Ajo)
71	03/15/12	BUSINESS/ EMPLOYMENT	Double the County's financial commitment to literacy and math skills programs in the Library system and increase access to other library sponsored programs	Pima County Small Business Commission (John Peck; Ajo)
72	03/15/12	BUSINESS/ EMPLOYMENT	Support the Joint Technical Educational District (JTED), a critical workforce development component in rural areas.	Pima County Small Business Commission (John Peck; Ajo)
73	03/15/12	BUSINESS/ EMPLOYMENT	Encourage location of PV solar facilities in "unbuildable" rural areas such as tailings grounds.	Pima County Small Business Commission (John Peck; Ajo)
74	03/15/12	GOVERNMENT/ REGULATION	Freeze or defer fee increases, encourage uniform building zoning and development rules, and review signage and adaptive reuse requirements.	Pima County Small Business Commission (John Peck; Ajo)
75	04/06/12	BUSINESS/ EMPLOYMENT	Create a small business revolving loan fund in the proposed regional Business Resources OneStop Center	Pima County Small Business Commission (Tom Ward)
76	03/09/12	BUSINESS/ EMPLOYMENT	Organize an interagency and interdepartmental business service team to develop a plan for coordinated service delivery for the proposed Business Resource OneStop Center.	Pima County Workforce Investment Board
77	03/09/12	BUSINESS/ EMPLOYMENT	Develop and implement new strategies to address low educational and literacy levels that pose a significant challenge to workforce development.	Pima County Workforce Investment Board
78	03/09/12	BUSINESS/ EMPLOYMENT	Expand and enhance existing County adult education programs and increase focus on current workers and job seekers.	Pima County Workforce Investment Board
79	03/09/12	BUSINESS/ EMPLOYMENT	Increase financial commitment to literacy and math skill development through library-based tutoring programs	Pima County Workforce Investment Board
80	03/09/12	BUSINESS/ EMPLOYMENT	Partner with The University of Arizona, Pima College, JTED and chambers of commerce to create career shadow, internship and apprenticeship opportunities.	Pima County Workforce Investment Board

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
81	03/09/12	BUSINESS/ EMPLOYMENT	Expand the County OneStop Center's focus beyond the unemployed and underemployed to include educated and experienced professionals	Pima County Workforce Investment Board
82	03/09/12	BUSINESS/ EMPLOYMENT	Partner with TREO and The University of Arizona to expand their existing programs for trailing spouses.	Pima County Workforce Investment Board
83	03/19/12	TOURISM	Support creation of a visitors center at Tumamoc Hill and engage the Tohono O'odham Nation, Pascua Yaqui Tribe and Tucson Indian Center in its creation	Pima County Workforce Investment Board
84	03/17/12	BUSINESS/ EMPLOYMENT	Support authorization of bond funds for affordable housing programs	SAHBA
85	03/17/12	BUSINESS/ EMPLOYMENT	Fully support economic development strategies recommended by TREO	SAHBA
86	03/17/12	GOVERNMENT/ REGULATION	Continue General Fund support for Development Services	SAHBA
87	03/17/12	GOVERNMENT/ REGULATION	Continue suspension of annual two percent increase for Development Services fee schedule	SAHBA
88	03/17/12	GOVERNMENT/ REGULATION	Voluntarily implement impact fee reform bill SB 1525	SAHBA
89	03/17/12	GOVERNMENT/ REGULATION	Work with industry stakeholders to evaluate potential reduction in other fees to incentivize construction	SAHBA
90	03/17/12	GOVERNMENT/ REGULATION	Change Title 16 to address industry concerns regarding Riparian Mitigation Guidelines	SAHBA
91	03/17/12	GOVERNMENT/ REGULATION	Reduce land use set aside requirements in light of recent Fish and Wildlife Service pygmy owl decision	SAHBA
92	03/17/12	GOVERNMENT/ REGULATION	Maintain indefinitely the current freeze on implementing the transportation impact fee increases in the Southwest Growth Area	SAHBA
93	03/17/12	GOVERNMENT/ REGULATION	Increase County participation in working with City of Tucson and the private sector to facilitate win/win solutions for preserving water resources and environmental assets while ensuring service for projects in the unincorporated area that have previously been assured water service.	SAHBA
94	03/17/12	GOVERNMENT/ REGULATION	Reduce sewer connection fees.	SAHBA

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
95	03/17/12	INFRASTRUCTURE	Caution should be exercised in the application of the Southwest Infrastructure Plan across sub areas beyond the Southwest Growth Area (high transportation impact fees)	SAHBA
96	03/12/12	BUSINESS/ EMPLOYMENT	Promote higher wage jobs in key industry sectors	Sahuarita, Town of
97	03/12/12	BUSINESS/ EMPLOYMENT	Establish metrics for job training programs and make data available to employers to demonstrate success and overcome the region's low-wage perception.	Sahuarita, Town of
98	03/12/12	BUSINESS/ EMPLOYMENT	Identify and evaluate potential additional lands for inclusion in the area identified as the aerospace and defense corridor	Sahuarita, Town of
99	03/12/12	BUSINESS/ EMPLOYMENT	Review activities at the Port of Guaymas and the impact of same on our region's rail capacity. Cochise County may be targeting extensive rail development in response to Guaymas development.	Sahuarita, Town of
100	03/12/12	GOVERNMENT/ REGULATION	Implement business enhancements such as more user friendly codes and make adjustments to fee structures	Sahuarita, Town of
101	03/12/12	INFRASTRUCTURE	Continue focus on linking transportation and infrastructure with focus on the Aerospace and Defense Corridor	Sahuarita, Town of
102	03/12/12	INFRASTRUCTURE	Create north/south arterial transportation systems for southeast employment centers	Sahuarita, Town of
103	03/12/12	INFRASTRUCTURE	Sahuarita is interested in Interstate 11 "loop" concept as a component of economic development initiatives	Sahuarita, Town of
104	03/12/12	TOURISM	Support the tourism industry; however, when allocating funding, the primarily lower wage jobs of the industry should be an important consideration in the funding commitment	Sahuarita, Town of
105	03/30/12	BUSINESS/ EMPLOYMENT	Target industries that create wealth, with less reliance on growth-related industries such as residential housing construction and tourism	TREO
106	03/30/12	BUSINESS/ EMPLOYMENT	Capitalize on Pima County's proximity to Mexico to position our region as a transportation and distribution hub	TREO
107	03/30/12	BUSINESS/ EMPLOYMENT	Facilitate continued location of solar energy projects in the region	TREO
108	03/30/12	BUSINESS/ EMPLOYMENT	Begin a slow transition back to a producer driven economy rather than a consumer driven economy by supporting innovation and investing in education and infrastructure	TREO

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
109	03/13/12	BUSINESS/ EMPLOYMENT	Ensure concepts for an aerospace and defense research park are appropriate within the context of the TIA Master Plan Update	Tucson Airport Authority
110	03/13/12	INFRASTRUCTURE	In future transportation projects, address improved access to the airport and airport employment region from all directions	Tucson Airport Authority
111	04/26/12	BUSINESS/ EMPLOYMENT	Pima County should take a proactive stance to promote job growth in all industries	Tucson Metro Chamber
112	04/26/12	GOVERNMENT/ REGULATION	Pima County should change internal attitudes and service delivery standards that impede delivery of business-friendly services.	Tucson Metro Chamber
113	04/26/12	GOVERNMENT/ REGULATION	Pima County should host industry-specific roundtables to better understand the current needs of business owners and prospective employers.	Tucson Metro Chamber
114	04/26/12	GOVERNMENT/ REGULATION	Pima County should review requirements/processes for site analysis, landscaping and NPPO for development and redevelopment projects.	Tucson Metro Chamber
115	04/26/12	GOVERNMENT/ REGULATION	Pima County should cooperate with municipalities to create a regional approach to land use, permitting and access to business-friendly infrastructure assets	Tucson Metro Chamber
116	04/26/12	INFRASTRUCTURE	Pima County should develop an infrastructure plan for the south and southeastern part of metropolitan Tucson similar to the Southwest Infrastructure Plan.	Tucson Metro Chamber
117	04/26/12	INFRASTRUCTURE	Pima County should provide easy and reliable access to water and wastewater utilities.	Tucson Metro Chamber
118	05/09/12	ARTS AND CULTURE	Encourage arts-centered development to promote economic development and job growth/retention.	Tucson Pima Arts Council
119	05/09/12	ARTS AND CULTURE	Support the creative workforce and enterprises; the sector is a resource for community identity, livability and economic development.	Tucson Pima Arts Council
120	05/09/12	ARTS AND CULTURE	Promote identity and distinction through arts, cultural and heritage tourism by being more proactive in supporting, developing and revitalizing the tourism economic base.	Tucson Pima Arts Council
121	05/09/12	ARTS AND CULTURE	Identify and enhance arts and cultural districts with a mix of financing, land use and streetscape improvement policies and tools (zoning, signage and marketing) to develop and properly identify cultural spaces/districts as vital nodes and destination points.	Tucson Pima Arts Council

ECONOMIC DEVELOPMENT COMMENTS

	A	B	C	D
1	DATE	CATEGORY	COMMENT	SOURCE
122	05/09/12	ARTS AND CULTURE	Revitalize neighborhoods through arts-centered community development initiatives. Leverage resources and talent to plan and implement community cultural development strategies.	Tucson Pima Arts Council
123	01/31/12	ARTS AND CULTURE	Address the underfunding of educational resources	Tucson Taiko (nonprofit, arts oriented)
124	01/31/12	ARTS AND CULTURE	Increase funding for arts and cultural programs and activities	Tucson Taiko (nonprofit, arts oriented)
125	03/09/12	GOVERNMENT/ REGULATION	Ensure a simple and timely permitting process with reasonable permitting fees	Tucson Trap & Skeet Club
126	03/15/12	ALL	Expand regional context beyond Pima County boundaries, considering opportunities related to border proximity, interrelationship with Phoenix and a global role	University of Arizona, The
127	03/15/12	ALL	Cluster projects to enhance impact and connect clusters to a sense of place, such as a community identity around health and wellness, environment and sustainability, and knowledge tourism	University of Arizona, The
128	03/15/12	ALL	Share physical and other assets committed to incubation, retention, expansion and education, including libraries, the OneStop and Pima College	University of Arizona, The
129	03/15/12	ALL	Enhance coordination, planning and implementation efforts to achieve maximum community benefit.	University of Arizona, The
130	03/15/12	BUSINESS/ EMPLOYMENT	Consider linkages to employment centers in Oro Valley and Central Tucson in addition to the southeast area	University of Arizona, The
131	03/15/12	BUSINESS/ EMPLOYMENT	Expand mutual relationship with Raytheon into the proposed aerospace and defense research park	University of Arizona, The

ATTACHMENT 2

ACTIONS STATUS REPORT

The following is an update on the 39 economic development actions approved by the Board of Supervisors at their January 19, 2012:

A. REVIEW AND COMMENT

Recommendations 1 through 8 directed circulation of the County Administrator's January 19, 2012 economic development report for review and comment. The report was distributed to all of the entities in these eight recommendations, as well as the general public via the County website. All comments received were compiled and are included in Attachment 1 of the October 9, 2012 economic development action plan.

B. CAPITAL INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT

9. Direct staff to continue the accelerated implementation of previously authorized bond capital projects and programs to provide continued employment stimulus for the local construction industry.

Since the County Administrator's January 19, 2012 report, the County has contracted for a total of \$81.6 million in construction capital improvement projects and programs; \$28.1 million of which has been awarded in the last three months alone. Pima County continues to provide significant economic benefit to the construction industry. The following projects were contracted between January 2012 and October 2012:

Project	Bid Amount
Pima County UPH Family Health Diabetes Clinics	\$ 1,720,200
Valencia Road Street Lighting and Sidewalk Improvements: Cardinal Avenue to Westover Avenue	1,147,691
La Cañada: River Road to Ina Road	18,750,777
Camino de Oeste: Los Reales Road to Valencia Road	1,743,579
Ina Road Wastewater Reclamation Facility (WRF) Plant Improvements - Warehouse/ Operation and Maintenance Building Construction	3,129,600
Ina Road WRF Administration, Central Maintenance, and Control Center Building Modifications	8,366,973
La Cholla Boulevard: Magee Road to Overton Road	15,717,614
Southern Arizona Indoor Sports Center at Curtis Park	4,169,000
Countywide Chip Seal Project	2,572,886
Pima County Sheriff's Department Annex Building HVAC Equipment Replacement	113,500
Pima County Administration West Building 4th Floor Demolition and Abatement	178,748
Pima County Legal Services Building Air Handler Replacement	548,177
Speedway-Main CIPP Sewer Line and Manhole Rehabilitation Project	696,342
Adaptive Reuse of Historic Ajo Train Depot Transportation Enhancement Project	414,052
Pima County Eckstrom-Columbus Library Expansion	773,850

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Project	Bid Amount
Wastewater Conveyance system and related facilities maintenance, repair, rehabilitation and construction services	10,000,000
Wastewater Conveyance system and related facilities maintenance, repair, rehabilitation and construction services	4,000,000
Park Development Services Master Agreement	2,500,000
Demolition Services for Various County Public Works Departments	250,000
Structured Cabling Services	1,500,000
Fencing Services	300,000
Job Order Master Agreement: Flood Control and Drainage Improvements	3,000,000
Total	\$81,592,789

10. Ask the Pima County Bond Advisory Committee (BAC) to continue their deliberations regarding development of an economic development and jobs creation bond initiative for future voter consideration.

The BAC received a presentation regarding economic development for a potential bond issue to accelerate economic recovery in our region. Discussions with the BAC regarding an economic development bond issue were essentially put on hold pending the outcome of an audit by the Arizona Auditor General resulting from legislation introduced at the request of the Town of Marana and passed by the Arizona Legislature in their last session. The audit by the Auditor General is progressing well, and the County expects to receive a draft report from the Auditor General in November 2012. The final audit report is to be released prior to February 1, 2013. Upon receipt of the draft audit, the BAC may decide to continue their pursuit of an economic development bond issue.

11. Ask the BAC to consider, at a minimum, the Phase I proposed transportation improvements of \$123 million; the minimum capital transportation investment that will allow for a permanent buffer for Raytheon and establish a long-term transportation boundary for Tucson International Airport.

Transportation improvements now being proposed will likely be coupled with other economic development capital proposals, including acquisition of property in the Davis-Monthan Departure Corridor and a noise mitigation program related to aircraft operations at Tucson International Airport and Davis-Monthan Air Force Base. A number of capital improvements are also being designed to significantly increase tourism opportunities.

C. CAPITAL INVESTMENT

12. Purchase, for future compatible development and resale, the buffer properties associated with possible Raytheon expansion during Calendar Year 2012. The property

will be resold for employment center expansion or development.

The Board of Supervisors, on February 21, 2012, purchased properties adjacent to Raytheon Missile Systems south of Hughes Access Road. A total of 382 acres were purchased at a cost of \$5.9 million. This property is now being considered for inclusion in an aerospace/defense research and business park.

13. Enter into a cooperative planning partnership with the Tucson Airport Authority to plan and develop a new aerospace, defense and research employment center on Tucson Airport Authority and Pima County acquired buffer property.

To ensure cooperative and continuous planning for the aerospace/defense research and business park on County and TAA properties, Tucson Regional Economic Opportunities, Inc. (TREO) suggested the County approve an Executive Oversight Committee to ensure the planning process moves forward in a timely manner to facilitate long-term business opportunities and investment in the proposed aerospace/defense research and business park.

14. Initiate and advance preliminary engineering, with the Regional Transportation Authority, for major transportation corridor improvements described as Phase I of highway improvements to establish a permanent buffer for Raytheon and a transportation perimeter for Tucson International Airport.

The County has proposed, and the Pima Association of Governments (PAG) and Regional Transportation Authority (RTA) have included, preliminary programming for transportation-related projects along the Old Vail Highway alignment, to be called the Aerospace Parkway. Preliminary engineering plans and potential right of way acquisition could be made available from federal funds that flow to our region for these purposes. A request by Pima County to PAG and the RTA has been made to facilitate this action.

D. LEVERAGE THE INTELLECTUAL CAPACITY OF THE UNIVERSITY OF ARIZONA

15. Transmit this report to the President of The University of Arizona and the incoming Chair of the Arizona Board of Regents and request their development of a priority assistance and cooperation program where the County can, through its various actions, participate and establish funding, as well as priority implementation of cooperative University/County programs, that assist in economic development and job creation.

The University of Arizona has a new President since my January 19 report was transmitted to the University. The County has continued to partner with the University by increasing our commitment to Graduate Medical Education through the teaching program administered through Tucson Medical Center (TMC). The County has recently entered into an additional

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agreement with the Arizona Health Care Cost Containment System (AHCCCS) program to invest nearly \$11 million dollars in federal funds in the TMC Graduate Medical Education teaching program, which directly benefits the University's College of Medicine.

In addition, the County is an active participant in assisting The University of Arizona to complete renovations to space leased from the County in the downtown Roy Place Building and exploring a number of options with the College of Engineering related to water research at the County's Water Campus.

Finally, the County is actively involved with The University of Arizona through programming certain public improvements and partnerships with the UA Science and Technology Park in the Tucson Tech Corridor.

16. Request that University of Arizona management prioritize program and funding requests of the County as they relate to either economic or community development.

A University of Arizona/Pima County Executive Management Committee has been formed to review all program capital funding requests related to University activities to ensure they meet the primary objectives of both the County and the University and that these priorities are directed from the Office of the President of The University of Arizona.

17. Support incubator development of emerging technologies that originate through the research and development of the University faculty and staff.

The County supports The University of Arizona in the development of incubator business space and will continue to do so. The County supports The University of Arizona Science and Technology Park, the UA BioPark and UA Downtown in downtown Tucson.

E. REGULATORY REFORM AND PERMIT PROCESSING

18. Freeze and defer any County related development, building or planning fee increases for Calendar Year 2012.

Completed.

19. Commit for Calendar Year 2012 that development related services for private development permitting will receive a five working day review and comment on project plans and request all other jurisdictions meet a similar standard.

Completed and is a commitment of the County.

20. Review all development related fees to determine how best to stimulate private

development and building, including deferring a portion of fees until project completion.

All fees have been reviewed; some have been reduced; and some will have future increases deferred.

21. Encourage a uniform regional building, zoning and development code or codes to establish uniformity of code application.

The County continues to prefer a uniform zoning and development code approach to all development within our region and stands ready to cooperate with any other jurisdiction that desires to do the same.

22. Reduce wastewater connection fees and change the methodology for fee computation to be more uniformly applied and predictable.

Wastewater connection fees have been reduced by almost 35 percent, and the methodology for fee computation has been greatly simplified. The County suggests that all other utilities that charge a connection fee examine their fees for possible reduction as well.

23. Allow time payment of up to five years at low interest rates for wastewater connection fees provided the low interest financing becomes a lien on the property for security.

Completed.

24. Allow time payment of up to five years at low interest rates for transportation impact fees, flood control in-lieu fees or parks in-lieu fees.

Completed.

F. REVITALIZING TOURISM

25. Commit half of all proceeds from Hotel Bed Tax receipts to the revitalization of tourism, with no diversion of these receipts to the General Fund and encourage all local jurisdictions to do the same.

The County will enter into a contract with the Metropolitan Tucson Visitors and Convention Bureau (MTCVB) for Fiscal Year 2012/13 to provide \$3,198,414 of support, which is half of all proceeds derived from unincorporated resort and hotel room rentals. These proceeds will finance an agreed upon scope of work and services between Pima County and the MTCVB and represents the largest single investment of any member or

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jurisdiction in the MTCVB to promote tourism and assist in revitalizing our tourism industry.

26. Request that the Metropolitan Tucson Convention and Visitors Bureau (MTCVB) review and recommend how they may assist in developing geotourism in cooperation and coordination with Pima County and The University of Arizona College of Letters, Arts and Science.

The MTCVB has reviewed the recommendation for a regional visitors center and provided written comments to the County on how the center would function to provide increased awareness to visitors to all of our region's attractions in a single location, with easy access to information and reservation systems related to tourism promotions for each regional attraction.

27. Insure implementation of the 24 major recommendations from the recent County Audit of the MTCVB.

The MTCVB has accepted the audit recommendations completed by the County audit and has already implemented about half of these recommendations. They have also agreed to follow up, document and complete all of the recommendations made by the audit.

28. Increase the national and worldwide attractiveness of the Arizona-Sonora Desert Museum and the Pima Air and Space Museum by investing future County bond funds in the significant expansion of the water as a desert resource exhibit at the Arizona-Sonora Desert Museum and the Cold War Exhibition Hangar at the Pima Air and Space Museum.

I will continue to recommend that the Arizona-Sonora Desert Museum and the Pima Air and Space Museum receive County funding for expanding their visitor attractions. For the Arizona-Sonora Desert Museum, the County will invest in an expanded water exhibit related to the importance of water in the Sonoran Desert and how water has helped shape the natural resources of our region.

For the Pima Air and Space Museum, two investments will be made: one to match funding provided by the Arizona Aerospace Foundation for expansion of the Cold War Exhibition Hangar, and the other to fund a new exhibit demonstrating the importance of this region to space exploration, particularly The University of Arizona.

29. Continue the active revitalization of the Kino Veterans Memorial Stadium Complex from a single purpose baseball spring training facility to a multipurpose amateur sports venue for soccer, football and rugby as well as baseball and other field sports.

Five of the Major League Baseball spring training practice facilities north of Ajo Way at the Kino Sports Complex are being converted to permanent soccer use, including the development of two varying-sized stadium facilities for Major League Soccer spring training

and a home field for FC Tucson.

30. Encourage and support the creation of a regional visitors' center at Tumamoc Hill, to be known as the Southern Arizona Regional Visitors Center, in cooperation with The University of Arizona.

The County has indicated its willingness to partner with the City of Tucson, The University of Arizona and Rio Nuevo to develop a southern Arizona regional visitors center at the west terminus of the streetcar and to direct \$15 million from any future bond issue for construction of such a center; provided it is directly linked to programming at Tumamoc Hill, and that the visitors center will provide a central focal point for allowing every attraction within Pima County to be easily accessed by visitors. In essence, a one-stop tourism location.

G. INVESTING IN THE WORKFORCE AND FOSTERING BUSINESS SUCCESS

31. Double our financial commitment to literacy and math skill development through Library-based tutoring programs coordinated with the Pima County Workforce Investment Board and the Workforce OneStop Center.

Additional funding will be made to the Library District to advance literacy and mass skill development through business applications being developed in the Library system. The Library District and County workforce development programs are coordinating their efforts to improve delivery of business-related services to assist small business and help the workforce gain new and improved skills to bolster employability and increased income through job advancement.

32. Request the Workforce Investment Board and the Library Advisory Board collaborate on employment skills training and basic reading, math and writing skill development.

Collaboration is already taking place and is embedded in the strategic plans of both organizations.

33. Establish the Business Resources OneStop Center and request organizational design for budget implementation in Fiscal Year 2012/13.

Advanced planning for a Business Resource OneStop Center is occurring through our Facilities Management Department, which will participate in programming discussions with County Community Services, the Library system and the Small Business Commission to ensure a Business Resource OneStop Center that provides the broadest possible range of business services. A number of County-owned downtown properties are under consideration for the location of the Business Resource OneStop Center.

34. Organize an interagency and interdepartmental business service team to complete a plan of operations for the Business Resource OneStop Center from the Community Services Department and the Library District.

Completed and headed by the Deputy County Administrator who oversees these County agencies and departments.

H. CONTINUING NONPROFIT SERVICE DELIVERY PARTNERSHIPS

35. Continue to fund the nonprofit service delivery model without further budget reductions.

The County has committed to continue funding for all nonprofit service organizations with a County service contract; and further budget reductions have not been, nor will be, required in the future.

36. Continue to fund County support for The University of Arizona Medical Center South Campus at the same level for Fiscal Year 2012/13 with incentive funding for business expansion that helps area employees in the southern metropolitan area of Pima County.

The County's Fiscal Year 2013/14 Budget will include \$15 million of funding for The University of Arizona Medical Center South Campus, as opposed to a continuing one-time discretionary expenditure. This moves the program funding to a much more stable component in the County budget. It also recognizes the long-term future relationship the County will have with The University of Arizona College of Medicine in physician training, as well as recognizing the importance of the South Campus in providing community medical services and healthcare training for our workforce.

37. Prioritize bond funded capital investment in Pima County attractions that significantly increase regional tourism.

A set of specific facility recommendations will be made to the Bond Advisory Committee. These facility recommendations are targeted toward broadening the array of tourism attractions available within our region. This expanded array of attractions is designed to increase tourism visitors to Pima County and extend the typical length of stay.

38. Recommend County bond investment in a regional visitors' center at Tumamoc Hill, to be known as the Southern Arizona Regional Visitors Center, in association with The University of Arizona Colleges of Letters, Arts and Science.

Actions Status Report

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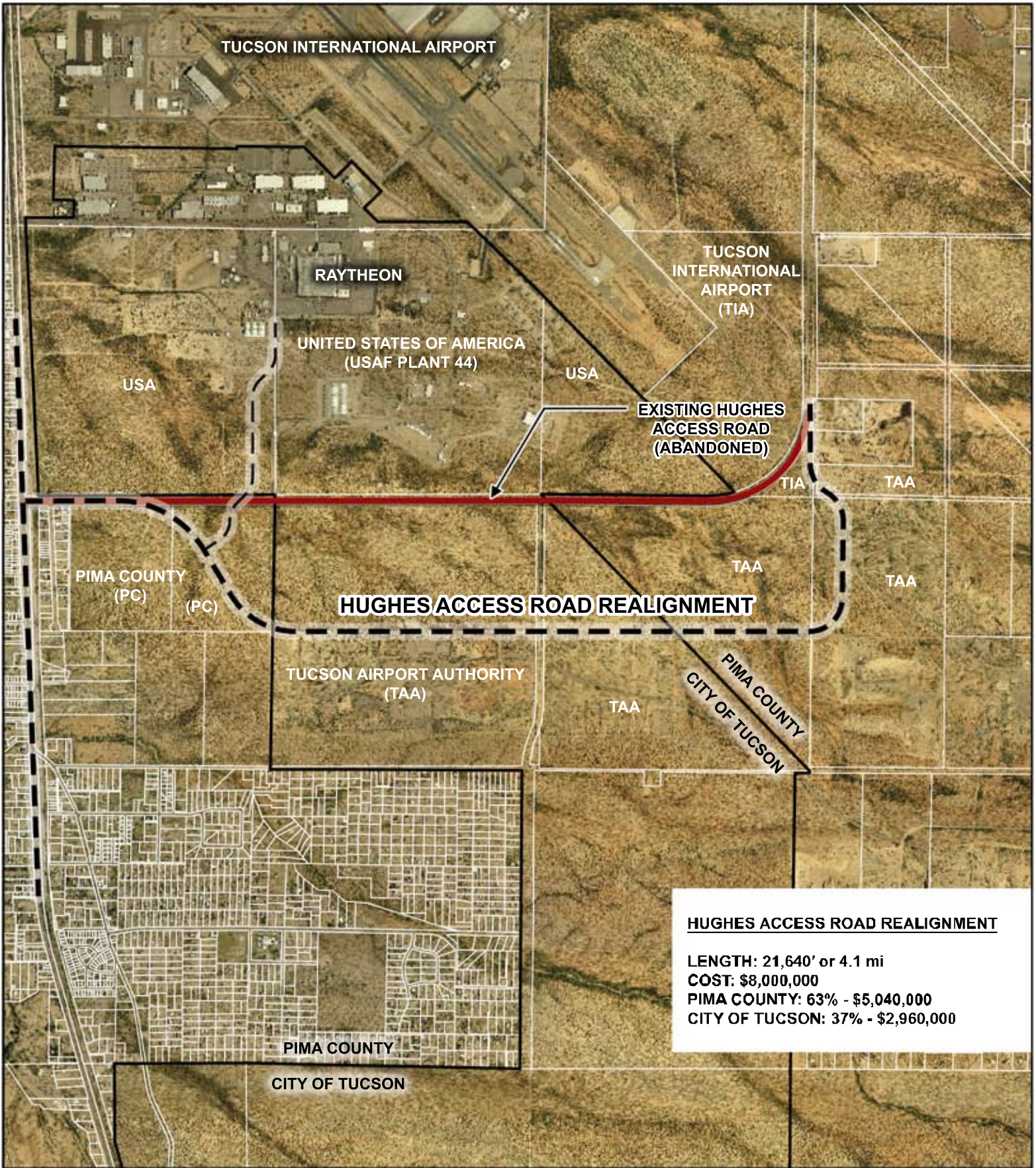
Active discussions are occurring between the City of Tucson, Pima County, the Rio Nuevo Board and The University of Arizona College of Arts and Sciences to develop a comprehensive visitors center in the general downtown area west of Interstate 10 and adjacent to the Sun Link Streetcar route with the primary purpose being to highlight all of our region's attractions and make these attractions easily accessible. The visitors center will also provide connections to Tumamoc Hill, where our region's culture, history, archeology and scientific resources are highlighted, with shuttle linkages to the Tumamoc Hill site, including the Desert Laboratory.

39. Continue and enhance employer wellness programs through recreational, fitness and wellness initiatives of the YMCA of Southern Arizona delivering these services at the provided County facilities.

The County has formed a very effective partnership with the YMCA of Southern Arizona in the delivery of wellness services. The County has now expanded YMCA wellness service delivery to a third location, the Mulcahy Center at the Kino Sports Complex. This addition occurred on April 3, 2012. The County will continue to partner with the YMCA to deliver community health and wellness services throughout our region and has several other geographic locations under active consideration for service expansion.

FIGURES

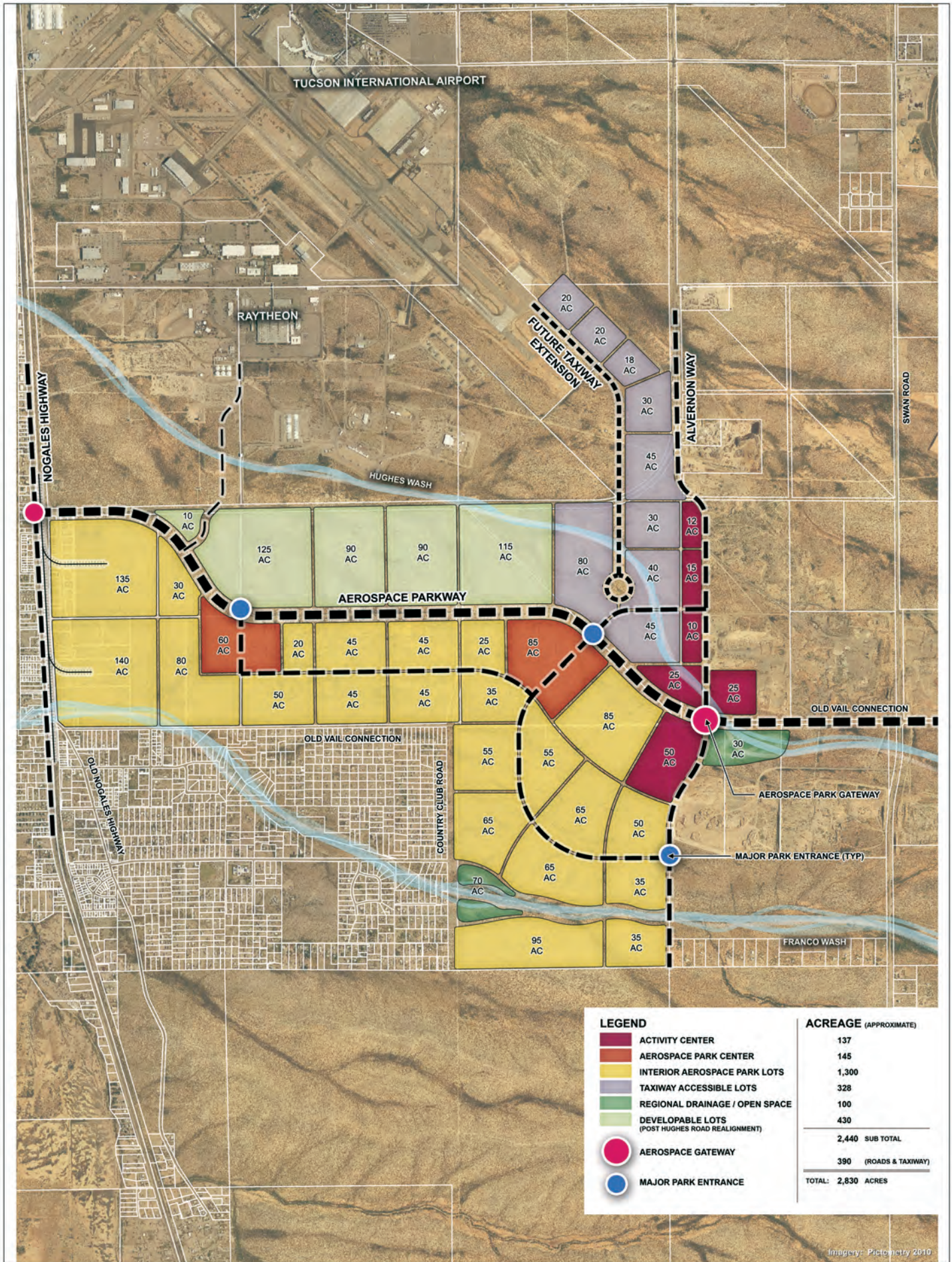
FIGURE 1 CONCEPT PLAN - PHASE I



**AEROSPACE DEFENSE RESEARCH
AND BUSINESS PARK**



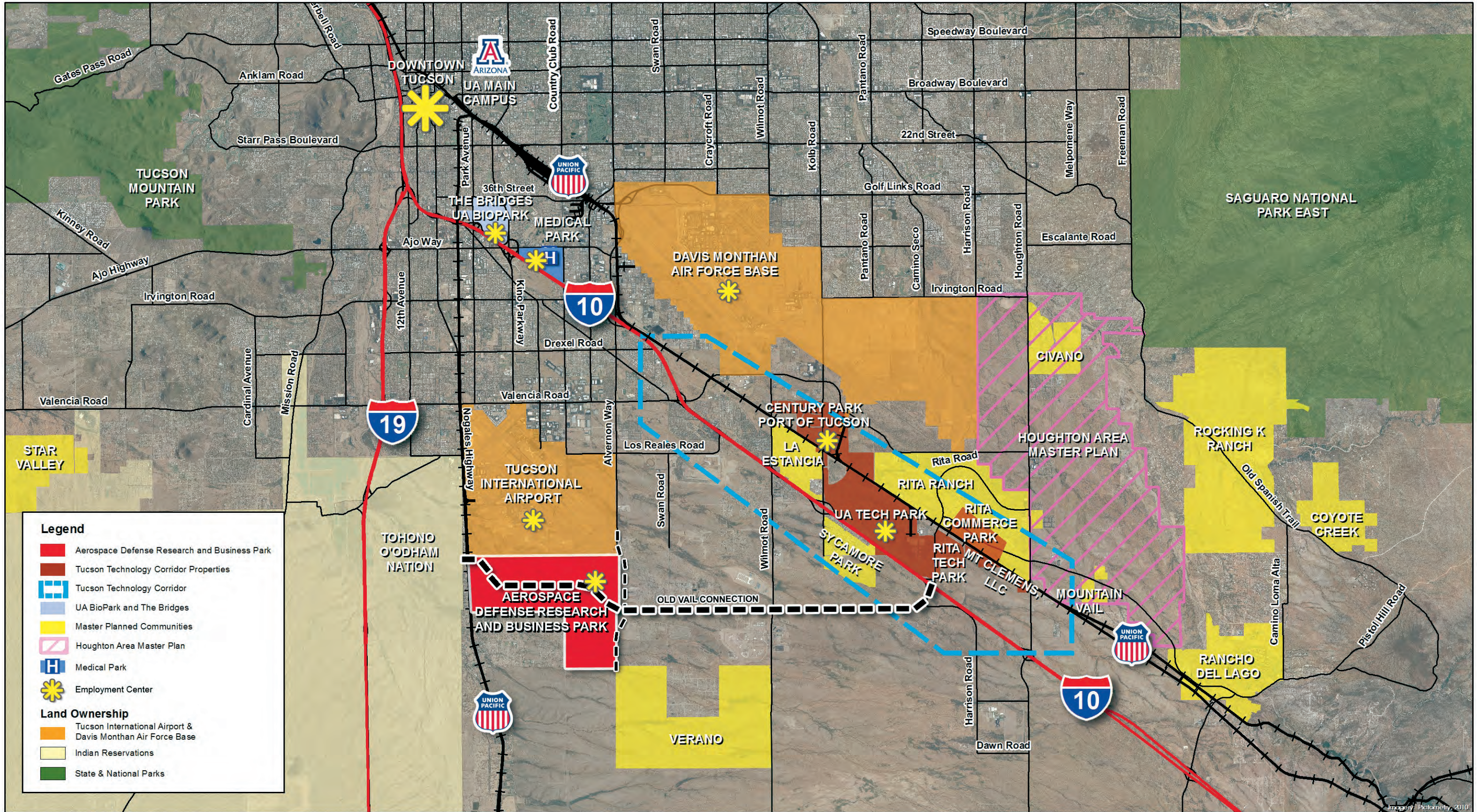
THE PLANNING CENTER
 a division of TPC Group, Inc.
 110's church in the 650' Tucson at 900'F



AEROSPACE DEFENSE RESEARCH AND BUSINESS PARK

FIGURE 3

REGIONAL CONTEXT



AEROSPACE DEFENSE RESEARCH AND BUSINESS PARK

0' 1.75 MI
 SCALE: 1" = 1.75 MILES
 PROJECT: PCO-11 DATE: 10/01/12
 FILE NAME: Aerospace Regional Aerial_11x17.mxd



FIGURE 4

KINO SPORTS SOCCER FIELD COMPLEX

